

Building For Our Future

“The next wave of investments should be designed with the vision to meet the vastly changing needs of the next 50 years and should not be a mere replication of the type of facilities that were built to serve Californians in the last 50 years.”

Philip Angelides, Commissioner
California State Treasurer
“Smart Investments, California’s
Debt Affordability Report,” 1999

During the past two and one-half years of intense research and analysis, the Commission recognized that meeting infrastructure needs in the 21st century will require different approaches from those used in the past. Infrastructure planning is a dynamic field, and must be responsive to changing needs, fluid economic and financing conditions, emerging new technologies, and evolving constitutional, legislative, and regulatory policy frameworks. Specifically, the Commission learned that:

- The interconnectedness among the individual infrastructure elements requires a close coordination of planning and investment across the elements.
- The unique characteristics of California’s communities and regions require that infrastructure investment plans be tailored to the particular needs and capacities of these communities and regions, while being guided by the statewide interests of California’s people and economy.
- Achieving the greatest possible outcomes from finite resources requires a rigorous application of return-on-investment principles.
- Sustaining economic opportunity and a better quality of life for future generations of Californians requires that all levels of government, with the private and philanthropic sectors, share responsibility and work in partnership to meet these needs.

Moreover, the complexity of infrastructure analysis, planning and action requires a highly sophisticated capacity to assess, govern, manage, deliver, and evaluate. Because the State is not the sole provider of infrastructure, the substantial capacity that exists beyond state agencies, in our universities, communities, for-profit companies, and nonprofit organizations must be leveraged. Our plans and actions must also maintain constant focus on the full range of infrastructure issues and recognize the closely linked and interdependent nature of all infrastructure.



PHOTO CREDIT: B. LLOYD/JUDICIAL COUNCIL OF CALIFORNIA

*Lamareaux Justice Center
in Orange County, California*

Next Steps

Every “Blue-Ribbon Commission” comes upon its moment of truth, and so it is for the Governor’s Commission on Building for the 21st Century. Faithful to its charge by the Governor, the Commission has prepared a 20-year framework for comprehensive infrastructure planning and investment for the State of California. It is intended to serve as a catalyst for action, both to meet the challenge of immediate needs and for the longer term. We now need to move forward aggressively to assure that the strategies adopted and implemented will be of the highest quality and achieve the greatest return-on-investment for the citizens of California.

The Commission is not a permanent entity and its mission is fulfilled with the completion of this report. For this blueprint to achieve the vision articulated by the Commission, vigilant and sustained support is needed to assure that California never again fails to meet its infrastructure responsibilities. To do so, we must change the way we invest for today and tomorrow—for ourselves and as our legacy to future generations. Therefore, the Commission proposes to pass the torch to a new entity, one that in spirit and deed will carry forward the commitment and ideas—and still unanswered questions—of this Commission.

With an abiding concern for the well being of future generations of Californians, the Commission recommends the establishment of the California Infrastructure Partnership (CIP).



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DEPARTMENT OF TRANSPORTATION

California Infrastructure Partnership

MISSION

The California Infrastructure Partnership would engage and help coordinate the full array of leading California individuals and organizations responsible for assuring high quality, cost-effective, long-term and comprehensive infrastructure planning and investment, in order to sustain and enhance California’s economic prosperity and quality of life for current and future generations.

CASE STUDY

Governor's Community Solution Team

Oregon's Governor formed the Community Solutions Team (CST) in early 1996 to integrate state agency action and services that most impact the built environment and the livability of local communities and regions. Those agencies include the Departments of Land Conservation and Development, Transportation, Environmental Quality, Housing and Community Services and Economic Development. The program recognizes the need for overlapping expertise, coordinated state action and flexible service delivery mechanisms because problems in communities are unique, interconnected, complex and often unpredictable. Other state and federal agencies are invited to participate. Examples of projects conducted by Regional CSTs include: downtown revitalization that stresses pedestrian amenities and bicycle accessibility, and environmental clean-up of former industrial sites, to create opportunities for affordable housing in rapidly growing communities.

Source: Oregon Economic Development Department

FUNCTIONS

CIP will not be an implementing agency, meaning that it will not have project funding authority. CIP will perform the following functions in order to carry out its mission.

- **RESEARCH AND ANALYSIS.** Study the full range of issues involved in infrastructure planning, financing, delivery, and evaluation. This work may be conducted by the Partnership itself, but it will also rely substantially on the analytic work of others, including the State's academic and public policy partners. For example, the Partnership could conduct research on investment opportunities in California's underserved, emerging markets.



PHOTO CREDIT: CALTHORPE ASSOCIATES

Local youth and parents participate in a community design workshop for Easter Hill, a transit-oriented/mixed-use development in Richmond, California

- **BEST PRACTICES.** Examine the practices and results of other states, countries and regions, and assure that California avails itself of state-of-the-art policies and techniques for infrastructure planning, financing, delivery and management.
- **POLICY RECOMMENDATIONS.** Deliberate, adopt, and recommend long-term policy goals and strategies. The Partnership will not engage in short-term policy debate and decisions.
- **MONITOR.** On a regular, timely basis, monitor the adequacy of infrastructure systems and the extent to which California's needs are being met. The CIP may issue report cards to inform policymakers and the general public about our progress in meeting these needs.
- **COOPERATION.** Work closely with the California Department of Finance, which is responsible for managing the State's capital budget planning process (AB 1473), the Governor's Office of Planning and Research, and other state agencies responsible for planning and delivery of infrastructure elements.
- **RECRUIT AND ENGAGE PARTNERS.** Because infrastructure is a shared responsibility, engage the full range of sectoral and institutional partners and encourage them to assume and carry out their responsibilities.
- **CONVENE.** Bring together issue-specific or other groups to assess data, develop recommendations, and build support for infrastructure planning and investment.

- **COMMUNICATE.** Through sophisticated techniques and technologies, assure that its work is easily available and understandable to all interested parties and regularly communicate the results of its work to the full array of interested audiences: the Governor, Legislature, State agencies and other stakeholders; the general public; the private sector; the financial community; and the media.

In addition to the mission and functions of the CIP, there will be governance, organizational and funding issues to be considered. These issues can be explored as part of the assessment of potential models and best practices. They include:

- **GOVERNANCE AND STAFFING** – board composition, appointing authority, core staff, including loaned staff and contracting opportunities.
- **FUNDING SOURCES** – start-up funding, core funding, and sources for a permanent funding stream, including public, private and philanthropic sources; procedures for financial reporting.
- **REVIEW AND RENEWAL PROCESS** – annual performance assessments; communications process; review of authorizing legislation.

ORGANIZATIONAL MODELS

In general, three types of models to choose from are envisioned for the Partnership’s mission, each with its own rationale. However, the Commission favors the Public-Private Partnership model.

1. **STATE AGENCY.** Entirely housed within state government, with its governing Board serving in an advisory capacity, this model would have standing with other state agencies and elected officials, but might also be constrained by bureaucratic rules and fail to engage the interest of the private and philanthropic sectors.
2. **PRIVATE ORGANIZATION.** More likely to operate in an entrepreneurial manner, the CIP might also fail to sufficiently engage the leadership of the public sector, and raise questions about its accountability.
3. **PUBLIC-PRIVATE PARTNERSHIP.** An organization, with a majority of appointments to the governing board by the Governor and Legislature, and additional appointments made by the board itself. This model is likely to engage the public and private sectors.

CASE STUDY

Public-Private Partnership Model: New Jersey Future (NJF)

New Jersey Future is a non-partisan, nonprofit organization, chartered in 1987 to improve the State’s quality of life. A research and advocacy organization, its original mission was the creation and adoption of the State Development and Redevelopment Plan, a blueprint for revitalizing the State’s older suburbs, towns and urban areas while preserving its remaining open spaces. NJF launched the nation’s first Sustainable State process, bringing together government, business, nonprofits and citizens to identify solutions to the most pressing challenges facing New Jersey. NJF has a 34 member Board of Trustees, representing state, regional and local government officials, the private sector, members of the State Planning Commission, academics, and civic and environmental leaders. Major funders include many foundations, Rutgers University, and corporations, including AT&T, Bristol-Meyers Squibb Co., and Colgate-Palmolive Co.

Source: New Jersey Future

A MODEL FOR SHARED RESPONSIBILITY

The Commission recommends that the Governor further examine models of such partnerships in California and other states and adopt a California Infrastructure Partnership to fit California's unique needs.

The California Infrastructure Partnership is not intended to substitute for gubernatorial leadership on these issues, but to help strengthen that leadership, while generating input and participation from all our state's infrastructure partners. The Governor, through his Cabinet, the Department of Finance, and the Office of Planning and Research (OPR), assures full coordination across the Executive branch on infrastructure planning and investment, and that effort should be supported and strengthened. The Partnership can assist the Governor and the whole Executive branch in joining together with the other levels of government and the private and philanthropic sectors to assure a fully coordinated partnership among those who share this responsibility.

For example, the five-year capital budget planning process established through AB 1473 is intended to provide longer-term and comprehensive infrastructure planning among State agencies. But much of that work will be carried out in partnership with regional agencies, local government, and the private sector, as co-investor or implementer. The Partnership can help the Governor to assure full coordination with the AB 1473 process across sectors and at the local and regional levels. By helping to correlate and knit together the planning responsibilities of public and private agencies and commissions,

the Partnership will in effect help oversee the creation of a statewide plan for infrastructure investment.

In addition, government by itself cannot and should not be responsible for meeting all of the State's infrastructure needs. The state's needs must be seen as a whole, with the partners working together to meet those needs, guided by State policy and leveraging State resources to achieve the best outcomes for communities, regions, the State, and all those who are served by infrastructure.



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